

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF WESTERN TEXAS**

CONTIQUE WILLCOT,

**Plaintiff,**

VS.

**SECURITIES & EXCHANGE COMMISSION,  
ET AL.,**

**Defendant**

Case No.: MO:24-CV-317

## **MOTION TO LIFT PSLRA DISCOVERY STAY**

## **JURY TRIAL DEMANDED**

Plaintiff Contique Willcot, pro se, respectfully moves pursuant to 15 U.S.C. § 78u-4(b)(3)(B) and Fed. R. Civ. P. 26 to lift the Private Securities Litigation Reform Act (PSLRA) discovery stay. Plaintiff seeks access to Blue Sheets and TRCH/MMTLP transaction data from June 21, 2021, to December 12, 2022, to investigate alleged market manipulation and regulatory failures that resulted in the loss of his \$30,000+ investment. The stay causes undue prejudice by preventing Plaintiff from opposing dismissal and risks evidence destruction. This motion is supported by Exhibits A–S, U, V–Z, AA–AD, and the following memorandum.

## **MEMORANDUM OF LAW**

## I. INTRODUCTION

Plaintiff Contique Willcot, a Fire Lieutenant and Origin and Cause Fire Investigator for Miami Dade Fire Rescue, invested over \$30,000 in Torchlight Energy Resources, Inc. (TRCH) and MMTLP, trusting the integrity of the markets. This investment was rendered worthless due to alleged misconduct by Defendants Securities and Exchange Commission (SEC), Financial

1 Industry Regulatory Authority (FINRA), and GTS Securities LLC, culminating in a December 9,  
2 2022, U3 halt and the issuance of illiquid Next Bridge Hydrocarbons (NBH) shares (Ex. W).  
3 Evidence suggests Defendants facilitated manipulative trading and failed to enforce regulatory  
4 standards, as shown by FINRA's Threshold List data (Ex. A), GTS's role in MMTLP orders (Ex.  
5 S), and the SEC's lawsuit against TRCH executives (Ex. AA). The PSLRA stay blocks access to  
6 Blue Sheets, critical to proving these claims. A Vermont court's preservation order underscores  
7 the urgency of this evidence (Ex. U). Plaintiff respectfully requests the Court lift the stay to  
8 deliver justice.

## 10 **II. STATEMENT OF FACTS**

12 Plaintiff, a resident of Pembroke Pines, Florida, invested over \$30,000 in TRCH and MMTLP,  
13 relying on market fairness. His Fidelity statements document purchases: 83 TRCH shares on  
14 March 11, 2021, for \$211.56 (\$2.55/share) and 2,800 shares on June 22, 2021, for \$7,009.73  
15 (\$2.50/share) (Ex. V). In June 2021, TRCH merged with Meta Materials Inc. (MMAT),  
16 executing a 1-for-2 reverse split, reducing Plaintiff's 2,883 TRCH shares to 1,441.5 (Ex. E).  
17 Shareholders received 0.5 MMAT shares and one MMTLP share per TRCH share, tied to an  
18 NBH spinoff (Ex. AA). Plaintiff received 89 MMAT shares (\$203.81) and 1,182 MMTLP shares  
19 (Ex. V). Despite being non-tradable, MMTLP was listed on the OTC market in October 2021,  
20 with GTS as the sole order destination (Ex. E; Ex. S).

22 Plaintiff purchased additional MMTLP shares: 12,300 shares on February 23, 2022, for \$22,140  
23 (\$1.80/share) via Fidelity, and 666 shares on September 29, 2022, for \$1,005.95 (\$1.50/share)  
24 via TD Ameritrade (Exs. V, W). The SEC's lawsuit confirms TRCH executives manipulated  
25 stock prices through the MMTLP Preferred Dividend, causing a 200%+ surge in June 2021 (Ex.  
26 AA). On December 8, 2022, MMTLP's trading volume spiked to 13 million shares, with prices  
27

1 reaching \$8.17, valuing Plaintiff's 687 TD Ameritrade shares at \$5,612.79 (Exs. A, W).  
 2 FINRA's Threshold List shows MMTLP had over 10,000 fails-to-deliver (FTDs) daily from  
 3 October 14 to December 12, 2022, yet reported zero FTDs on December 12, suggesting  
 4 unauthorized post-halt trading (Ex. A). FINRA's U3 halt on December 9, 2022, cited "settlement  
 5 uncertainty" and violated SEC Rule 10b-17's 10-day notice requirement (Ex. H). The NBH  
 6 prospectus lacked key dates, causing confusion (Ex. M). On December 13, 2022, MMTLP shares  
 7 were exchanged 1:1 for NBH shares, valued at "NA," erasing Plaintiff's investment (Ex. W).

### 9 **III. LEGAL STANDARD**

10 The PSLRA stays discovery pending motions to dismiss unless "particularized discovery is  
 11 necessary to preserve evidence or prevent undue prejudice" (15 U.S.C. § 78u-4(b)(3)(B)). Undue  
 12 prejudice arises when plaintiffs cannot oppose dismissal without discovery (*In re Bank of Am.*  
 13 *Corp.*, 2009 WL 4796169, at \*3 (S.D.N.Y. Dec. 14, 2009)). Evidence preservation is critical  
 14 when delay risks loss (*SG Cowen Sec. Corp. v. U.S. Dist. Ct.*, 189 F.3d 909, 913 (9th Cir. 1999)).  
 15 Courts permit targeted discovery to address specific harm (*In re Vivendi Universal, S.A.*, 381 F.  
 16 Supp. 2d 129, 131 (S.D.N.Y. 2003); *Pension Tr. Fund for Operating Eng'r's v. Mortg. Asset*  
 17 *Securitization Transactions, Inc.*, 730 F.3d 263, 272 (5th Cir. 2013)).

### 20 **IV. ARGUMENT**

#### 21 **A. The Stay Causes Undue Prejudice**

22 The PSLRA stay prevents access to Blue Sheets, essential to proving Defendants' alleged  
 23 misconduct, which erased Plaintiff's \$30,000+ investment (Exs. V, W). GTS, handling 3–5% of  
 24 U.S. equities volume and acting as MMTLP's sole order destination, allegedly manipulated  
 25 trading through spoofing and latency advantages (Exs. B, K, S). For example, *NWBO v. GTS*  
 26 alleges GTS executed 2,722,466 baiting orders, causing price declines, a pattern potentially  
 27 28

1 repeated with MMTLP during the December 8, 2022, 13 million share volume spike (Exs. A, B).  
 2 FINRA's Threshold List indicates over 10,000 FTDs daily through December 12, 2022, yet zero  
 3 FTDs reported that day, suggesting improper post-halt trading (Ex. A). FINRA's failure to  
 4 enforce short sale rules (Ex. J) and violation of SEC Rule 10b-17 (Ex. H) exacerbated harm, as  
 5 did the NBH prospectus's lack of dates (Ex. M).

7 The SEC's lawsuit confirms TRCH executives' fraud, yet its delayed response—despite 246  
 8 complaints (Ex. AD), congressional demands (Ex. G), and a Wells Notice (Ex. AB)—suggests  
 9 negligence (Ex. AA). The D.C. Circuit's ruling that FINRA's enforcement violates the private  
 10 non-delegation doctrine questions the halt's legitimacy (*Alpine Sec. Corp. v. FINRA*, Ex. N).  
 11 FINRA's dismissive attitude in *Rolo v. SEC*, labeling investor claims as "speculative" and  
 12 "conspiracy theories" fueled by a "social media community" (Ex. Q), further prejudices Plaintiff  
 13 by undermining legitimate losses and evidence of manipulation (Exs. A, B, S). Without Blue  
 14 Sheets, Plaintiff, trained to uncover misconduct, cannot oppose dismissal (*In re Bank of Am.*  
 15 *Corp.*, 2009 WL 4796169, at \*3).  
 16

## 18 **B. Discovery Is Essential to Preserve Evidence**

19 Blue Sheets face destruction risks without expedited discovery. A Vermont court ordered their  
 20 preservation from June 21, 2021, to December 8, 2022, citing spoliation concerns (Ex. U). TDDS  
 21 logs confirm availability, but records may be lost by January 2027 (Ex. AC). The volume spike,  
 22 FTD anomalies, and post-halt trading heighten urgency (Ex. A). FINRA's procedural violations  
 23 and GTS's trading patterns necessitate immediate access to prevent loss (*SG Cowen*, 189 F.3d at  
 24 913).

## 26 **C. Defendants' Defenses Lack Merit**

27 Defendants' immunity claims fail when actions exceed regulatory mandates (*Credit Suisse Sec.*  
 28

(USA) LLC v. Simmonds, 566 U.S. 221, 227 (2012)). FINRA’s unconstitutional enforcement (Ex. N), failure to enforce Rule 4320 (Ex. J), and Rule 10b-17 violation (Ex. H) undermine its defense. GTS’s alleged spoofing and control over MMTLP orders (Exs. B, K, S) contradict claims of no particularity. The SEC’s inaction, despite early warnings and complaints (Exs. AA, AD), warrants scrutiny. FINRA’s dismissal of claims in *Rolo* as “unsupported” ignores Plaintiff’s documented losses and evidence, reinforcing the need for discovery to counter baseless defenses (Ex. Q; *In re Vivendi*, 381 F. Supp. 2d at 131).

#### **D. Discovery Is Targeted**

Plaintiff seeks Blue Sheets and TRCH/MMTLP data from June 21, 2021, to December 12, 2022, to investigate manipulation during the merger, MMTLP listing, and halt (Exs. A, B, S). This 18-month scope is justified by specific events and TDDS availability (Ex. AC). Plaintiff accepts a 2022-only scope if necessary, minimizing burden (*In re Bank of Am. Corp.*, 2009 WL 4796169, at \*4).

#### **V. CONCLUSION**

Plaintiff respectfully urges the Court to lift the PSLRA stay to access Blue Sheets, exposing alleged misconduct that destroyed his investment. Exhibits A–S, U, V–Z, AA–AD demonstrate manipulation, regulatory failures, and negligence, which discovery will clarify. Plaintiff accepts any Court conditions.

#### **PRAYER FOR RELIEF**

Plaintiff requests:

- 25 1. An order lifting the PSLRA stay under 15 U.S.C. § 78u-4(b)(3)(B).
- 26 2. Expedited discovery of Blue Sheets and TRCH/MMTLP data from June 21, 2021, to  
27 December 12, 2022, within 30 days.

1       3. Other relief as the Court deems just.

2 **Certificate of Service**

3 I certify that on April 23, 2025, a true copy was served via CM/ECF on counsel for Defendants  
 4 Securities and Exchange Commission (100 F St NE, Washington, DC 20549), Financial Industry  
 5 Regulatory Authority (1735 K St NW, Washington, DC 20006), and GTS Securities (545  
 6 Madison Ave, New York, NY 10022), per Fed. R. Civ. P. 5 and Local Rule CV-7(c).

7

8

9 **Exhibit Table of Contents with Motion Strengthened Category (Alphabetical Order)**

11	Exhibit Title	Description	Pages Cited in Motion	Motion
12			in Motion	Strengthened
13	A	Threshold List, FTDs & 13 Million Volume Spike	Threshold Lists, FTD data, 13 million share spike, unsettled trades	Supports Section IV.A, Undue Prejudice
14		SEC v. Brda et al., Complaint	TRCH-Meta fraud	pp. 1–46, 7– pp. 11, 10, 11, 19–33, 32– 33 Supports Section II, Statement of Facts
15		Meta Materials Wells Notice	SEC Wells Notices for TRCH-MMAT merger fraud	Supports Section II, Statement of Facts
16		FINRA TDDS 2.0 Specification	Blue Sheet availability	pp. 2–5, 4– pp. 1–4–9, 9–4 Supports Section IV.D, Discovery Is

				Targeted
				Supports Section
1				
2				
3		Traudt v. Rubinstein, SEC		
4	AD	FOIA Response	246 MMTLP complaints	p. 1
5				IV.A, Undue
6				Prejudice
7				
8	B	Northwest Biotherapeutics v. GTS, Complaint	GTS spoofing, 2,722,466 Baiting Orders	pp. 21, 65– 68, 67
9				IV.A, Undue
10				Prejudice
11	C	TradeStation MMTLP Share Imbalance	TradeStation email and statement on NBH share imbalance	pp. 1–4
12				IV.A, Undue
13				Prejudice
14				
15	D	FINRA MMTLP Short Volume Data	FINRA data showing 9,180,000 MMTLP shorts, p. 1 December 8, 2022	pp. 1–4
16				IV.A, Undue
17				Prejudice
18	E	OCC Memo on TRCH Distribution	OCC memo detailing TRCH distribution and settlement risks	pp. 1–4
19				IV.A, Undue
20				Prejudice
21				
22	F	GTS Letter to SEC	Latency advantages	p. 2
23				IV.A, Undue
24				Prejudice
25				
26	G	Congressional Letters to Gensler	SEC negligence	pp. 2, 3, 4
27				IV.A, Undue
28				Prejudice

1				
2	H	FINRA FAQ, MMTLP Halt	Rule 10b-17 violation	pp. 2, 3, 6 IV.A, Undue Prejudice
3			Inaction/awareness	Supports Section
4	I	FINRA Correspondence	(Draddy #2, Boyl, Draddy pp. 1–4 #3, Cook)	IV.A, Undue Prejudice
5				
6	J	FINRA Rule 4320	Enforcement failure	N/A (Single- page) IV.A, Undue Prejudice
7				
8	K	Ari Rubenstein Testimony	GTS market power	pp. 1, 2 IV.A, Undue Prejudice
9				
10	L	MMTLP Trading/Regulatory Failures		pp. 1–44, 1, 3–4, 5, 6, 7, 8, 9, 10, 14, 35 Supports Section IV.A, Undue Prejudice
11				
12	M	Next Bridge S-1 Prospectus	NBH prospectus lacking spin-off dates	pp. 1–48, 4 IV.A, Undue Prejudice
13				
14	N	Alpine v. FINRA, Certiorari Petition	FINRA’s legitimacy	pp. 1–2, 3 IV.A, Undue Prejudice
15				
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		OTC Markets Caveat		Supports Section
1	O	FINRA Caveat Emptor	Emptor on MMTLP, late p. 1	IV.A, Undue
2		Notice	warning	Prejudice
3				Supports Section
4	P	Scott Traudt Petition and Meme	U3 halt illegality, community sentiment	pp. 1–43 IV.A, Undue
5				Prejudice
6				Supports Section
7	Q	Jonathan P. Duran DOJ Complaint	FINRA halt, GTS conflicts, SEC inaction	pp. 1–4 IV.A, Undue
8				Prejudice
9			MMTLP limit sell orders	Supports Section
10	R	Wyatt Marks Affidavit	on Schwab, December 6, 2022	p. 1 IV.A, Undue
11				Prejudice
12				Supports Section
13	S	TD Ameritrade Email re: GTS MMTP Orders	GTS as sole MMTLP order destination	p. 1 IV.A, Undue
14				Prejudice
15				Supports Section
16	T	FINRA Rule 6490	Regulatory claims	N/A (Single-page) IV.C, Defendants' Defenses
17				
18				Supports Section
19	U	Traudt v. Rubinstein, Preservation Order	Blue Sheet preservation	pp. 2, 3 IV.B, Discovery Is Essential
20				
21	V	Fidelity Statement, 01-01- Plaintiff's TRCH/MMTLP	N/A (Multi-	Supports Section
22				
23				
24				
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26				
27				
28		MOTION TO LIFT PSLRA DISCOVERY STAY/JURY TRIAL DEMANDED - 9		

1	2021 – 12-31-2022	purchases	page)	II, Statement of
2				Facts
3				
4	TD Ameritrade	MMTLP purchases,		Supports Section
5	Statements, 04-01-2022 –	valuation, NBH collapse	p. 1	II, Statement of
6	12-31-2022			Facts
7				
8	Torchlight Merger	TRCH-MMAT merger		Supports Section
9	Announcement	and dividend details	pp. 1–2	II, Statement of
10				Facts
11		List of MMTLP		Supports Section
12	Y	MMTLP Shareholder List	shareholders as of July 6, p. 1	II, Statement of
13		2021		Facts
14				
15	Order Book Screenshots,	Post-halt manipulation	N/A (Multi-	Supports Section
16	NXBR/TRCHP.CNT		page)	II, Statement of
17				Facts
18				
19				
20				
21				
22				
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24				
25				
26	<b>UNITED STATES DISTRICT COURT WESTERN DISTRICT OF TEXAS Case No. 7:24-</b>			
27	<b>cv-317-DC-RCG WILLCOT v. SECURITIES &amp; EXCHANGE COMMISSION et al.</b>			
28	MOTION TO LIFT PSLRA DISCOVERY STAYJURY TRIAL DEMANDED - 10			

1           **MEMORANDUM ON FINRA'S CONTEMPTUOUS TREATMENT OF RETAIL**  
2           **INVESTORS TO THE HONORABLE DAVID COUNTS, UNITED STATES DISTRICT**

3           **JUDGE:**

4  
5  
6 With utmost deference, Plaintiff Contique Willcot, a Fire Lieutenant and Origin and Cause Fire  
7 Investigator for Miami Dade Fire Rescue, submits this memorandum to expose the Financial  
8 Industry Regulatory Authority's (FINRA) despicable contempt toward retail investors, as  
9 evidenced in its Motion to Dismiss in Rolo v. SEC et al. (Ex. Q, p. 4, April 16, 2025, 20:54).  
10 FINRA's dismissal of investor claims as "speculative," "unsupported," and "conspiracy theories"  
11 fueled by a "prolific social media community" (Ex. Q, p. 4) is a malicious smear campaign, a  
12 collusive whitewash designed to silence victims like Plaintiff, whose \$30,000+ investment was  
13 obliterated by MMTLP's fraudulent halt (Exs. V–W). This vile attitude, derisively branding  
14 plaintiffs like Plaintiff and Jason Rolo as MMTLP investors (Ex. Q, p. 4), betrays FINRA's  
15 investor-protection mandate under the Exchange Act (Desiderio v. NASD, 191 F.3d 198, 201 (2d  
16 Cir. 1999)) and demands scrutiny in Plaintiff's Motion to Lift the PSLRA Stay for Blue Sheets  
17 (May 1, 2021–December 31, 2022). FINRA's derision mocks Plaintiff's documented losses—  
18 2,883 TRCH shares and 22,526 MMTLP shares, totaling over \$30,000, reduced to worthless  
19 NBH shares (Exs. V–W, April 19, 2025, 07:58)—and dismisses irrefutable evidence of fraud  
20 spanning 2019 to 2022. The SEC lawsuit proves FINRA and SEC knew of TRCH fraud, yet  
21 FINRA enabled 2021's fraudulent MMTLP listing (Ex. AA, pp. 7–11) and executed a negligent  
22 2022 halt (Exs. I, Sam Draddy & Richard Boyl emails). GTS Securities' halt trades (Ex. S, p. 1)  
23 and unreported shorts (Ex. D, p. 1) mirror Northwest Biotherapeutics' spoofing (Ex. B, April 18,  
24 2025, 15:32), not "hearsay" or "unsupported" claims (Ex. Q, p. 4, FAC ¶¶ 65, 69, 138). FINRA's  
25 MOTION TO LIFT PSLRA DISCOVERY STAYJURY TRIAL DEMANDED - 11  
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1 assertion that Plaintiff's allegations, like Rolo's, rely on "hearsay" or contradict its FAQs (Ex. Q,  
2 p. 4) is a bald-faced lie, as Plaintiff's evidence—volume spikes (Ex. A, p. 9), settlement issues  
3 (Ex. E, OCC Memo #48884)—proves manipulation, not "misinformation." As an investigator  
4 trained to uncover deliberate misconduct, Plaintiff sees FINRA's dismissal as a calculated  
5 obstruction, akin to concealing arson to protect the perpetrator. FINRA's attack on the "social  
6 media community" (Ex. Q, p. 4) is a cynical ploy to discredit legitimate outcry, ignoring  
7 congressional demands for accountability (Ex. G, March 25, 2025, 04:31) and Ari Rubenstein's  
8 testimony exposing market failures (Ex. K, April 18, 2025, 10:54). By mocking plaintiffs as  
9 MMTLP investors (Ex. Q, p. 4, n.4, citing Willcot and related cases), FINRA seeks to trivialize  
10 the collective harm of thousands, including Plaintiff, whose life savings were erased. This  
11 contempt defies FINRA's duty to protect retail investors, instead shielding fraudsters like GTS  
12 while dismissing evidence of naked shorting (Ex. D, p. 1) and halt collusion (Exs. I). FINRA's  
13 actions, far from immune, constitute a breach of regulatory trust, as Credit Suisse Sec. (USA)  
14 LLC v. Simmonds (566 U.S. 221, 227 (2012)) holds that misconduct voids immunity. Plaintiff,  
15 leveraging his investigative expertise, asserts that Blue Sheets from 2021–2022 are essential to  
16 dismantle FINRA's cover-up, exposing the fraud rooted in 2019 (Ex. AA, p. 32) and executed  
17 through 2021–2022 (Exs. AA, S, A, p. 9). FINRA's scornful dismissal, as seen in Rolo (Ex. Q, p.  
18 4), underscores the urgent need for transparency to vindicate retail investors and restore market  
19 integrity.

20  
21  
22  
23 Respectfully submitted,

24  
25 /s/ Contique Willcot Pro Se Plaintiff

26  
27 6940 SW 10th Ct,

1 Pembroke Pines, FL 33023

2 Phone: (954) 274-5173 Email: contiq9@yahoo.com Exhibit Table of Contents

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